

ASSEMBLY BILL

No. 1174

Introduced by Assembly Member Frusetta

February 25, 1999

An act to add Section 17053.51 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1174, as introduced, Frusetta. Income taxes: credit: child care.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would allow a credit in an amount equal to 25% of the amount paid or incurred during the taxable or income year for child care for any child of the taxpayer.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17053.51 is added to the Revenue
2 and Taxation Code, to read:
3 17053.51. (a) There shall be allowed as a credit
4 against the "net tax," as defined in Section 17039, an
5 amount equal to 25 percent of the amount paid or
6 incurred during the taxable year for child care for any
7 child of the taxpayer.

1 (b) In the case where the credit allowed by this section
2 exceeds the “net tax,” the excess may be carried over to
3 reduce the “net tax” in the following year, and
4 succeeding years if necessary, until the credit is
5 exhausted.

6 SEC. 2. This act provides for a tax levy within the
7 meaning of Article IV of the Constitution and shall go into
8 immediate effect.

